
SKILLS FOR FUTURE GROWTH

TACKLING SKILLS GAPS AND SUPPORTING GROWTH

FOREWORD

We in local government are ambitious for our places and for the people who live and work in them. We want strong local economies and for our communities to contribute to, and benefit from, economic growth. Fundamental to achieving this is a steady supply of jobs and training, along with effective support to help individuals play their part.

This report contains a series of case studies which demonstrate innovative skills and employment projects being delivered by, and with, councils across England. They show councils making a real difference, using their unique position to bring partners and resources together to drive local economic growth.

Councils are fully committed to the jobs and skills agenda and recognise how this plays a core part in their local growth ambitions, which in turn will support national productivity. They are doing their part by working with employers to create jobs and quality apprenticeships, with skills providers to ensure learning opportunities are relevant to local growth plans and supporting local residents to reach their full potential.

We believe councils are best placed to lead action by working with local and national partners, including local enterprise partnerships, to ensure that the skills supply is appropriate for current and future employer demand.

However, in many cases they are being held back by the complex and fragmented national employment and skills system.

This report sets out key points where employment and skills interventions could be more effectively managed locally if government and councils work together to address them. Councils want to sustain the momentum around apprenticeships and drive up their quality. They want long-term funding certainty around skills and employment and adequate resources to play a vital role in managing and coordinating local provision. They also want to coordinate effective careers advice and guidance services locally. The key to future success is greater devolution of the jobs and skills remit and post-16 funding and commissioning to councils.

Current reforms to the skills landscape, such as area based reviews and adult education budgets, provide an opportunity to put councils at the heart of commissioning the right provision. Local economic growth will fuel national economic growth. We are committed and ready to work in partnership with government to design the detail for a system that is more effective and more productive for our local areas.

Cllr Sir Richard Leese CBE

Chairman LGA City Regions Board

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EXECUTIVE SUMMARY

Through its 'Realising Talent' series of reports, the LGA has evidenced how the national skills system is exacerbating skills shortages, constraining growth and preventing local areas from reaching their full potential.

In this report we look at how councils are seeking to address this by taking action to grow local economies – working with businesses, schools, skills providers and others to ensure local people have the skills to meet current and future employer need.

Councils want to stimulate thriving local economies and raise aspirations and attainment around jobs and skills so that everyone can reach their full potential. By ensuring people have the right skills, councils and their partners can create strong economic growth, reduce poverty for individuals and families, raise living standards and reduce welfare dependency.

This report contains eight case studies which highlight some of the innovative skills and growth projects being delivered by councils across England. They address a range of themes, from working with employers and providers on skills provision to using procurement policies to secure apprenticeships locally. They show how councils are involved in the design and delivery of a range of interventions, working to address local challenges within the confines of the national system.

No single organisation can tackle skills gaps and shortages or unemployment alone. However, there is a need for actions to be planned and coordinated at a local level to ensure they are relevant to local people and places. Councils are best placed to lead and coordinate integrated partnership work around jobs and skills.

Many councils are building on their unique and proven capacity, developing successful partnerships across boundaries, recognising travel to work or learn areas. They are working with businesses and local partners to achieve huge efficiencies through economies of scale, to understand, anticipate and respond to the local labour market and the skills local employers actually need.

Councils are working with a range of local and national partners including local enterprise partnerships (LEPs), employers, schools, further education (FE), universities, Jobcentre Plus, chambers of commerce, health partners and others. The successful partnership work already underway has led to a call for greater devolution to local areas. The Government is beginning to acknowledge that locally managed provision delivers the best outcomes for local residents and brings added value to communities. The growing number of 'devolution deals' being negotiated or agreed by combined authority areas which address skills themes are an indication of the Government's support for this local action.

Despite the challenging economic context, councils recognise that improved productivity is the foundation for local and national economic growth.

This is why councils want to do more on this agenda. With a more formalised role and appropriate levers and funding, a great deal more could be achieved.

Sustainable growth will only be achieved through the further devolution of the employment and skills remit to local areas, with councils leading the integration and commissioning of provision. The Government has an ideal opportunity to address this through skills reform and the devolution agenda, and councils are eager to take on the challenge. They have demonstrated a commitment to delivering better outcomes through an integrated approach to delivery, but they need the powers and resources to maximise the impact of their work.

The case studies in this report highlight a range of issues which need to be addressed to make the system work better for local areas and local people. The LGA believes that employment and skills interventions could be more effectively managed locally and is therefore calling for:

1. Greater control of the funding and commissioning for post-16 provision. This would allow councils to align provision to local skills need – matching opportunities to growth sectors, reducing skills gaps and supporting growth.
2. Devolution of skills funding to a local level to support employers. Councils have strong relationships with local employers and are best placed to lead on skills initiatives which meet their needs.
3. Area-based reviews to be comprehensive, with a wider scope to include all educational providers. This, along with the call to devolve FE budgets to councils, will ensure appropriate provision to support thriving local economies.
4. Long-term funding certainty for councils around skills and employment. This would enable them to integrate provision and adapt rapidly to changes in demand, such as, reacting to a job crisis situation.
5. Further support for apprenticeships to sustain the current momentum and drive up the quality and quantity. Building on recent initiatives, government should provide councils with the resources to help employers, including small businesses, create high-quality apprenticeships.
6. If the Government's proposal for public sector apprenticeship targets is enacted, councils should be able to include apprenticeships agreed through contracting arrangements with their supply chains. Councils should be beacons of sustainable procurement for public and private sector partners and are in a prime position to encourage other employers to invest in skills.
7. Local coordination and delivery of careers education, information, advice and guidance (CEIAG) which provides impartial advice to all and meets the needs of local growth sectors. Good-quality CEIAG which takes account of the local skills landscape is key to sustainable growth.
8. Support and resources for councils to establish a coherent one-stop 'marketplace' approach for careers advice, training and employment opportunities which includes colleges, businesses and Jobcentre Plus. Councils are fundamental to maximising the effectiveness of funding through alignment, coordination and integration of services.

CASE STUDIES



Top left: The AME Hub, Staffordshire

Top Right: Former Ford Site, Southampton

Bottom: Education and Industry Schools Programme, Essex

STAFFORDSHIRE COUNTY COUNCIL

WORKING WITH THE LOCAL ENTERPRISE PARTNERSHIP TO PROVIDE SKILLS FOR ECONOMIC GROWTH

Expanding the advanced engineering and manufacturing sector is critical to Stoke-on-Trent and Staffordshire's local growth strategy. Skills levels are below the national average, which risks holding back growth. In response, councils and the LEP are creating a £12 million 'skills hub' to ensure local people can meet current and future demand.

The local challenge: raising aspirations and attainment

Ambitious plans to grow Stoke-on-Trent and Staffordshire's local economy by 50 per cent and generate 50,000 new jobs within 10 years are set out in the LEP's strategic economic plan. Key to this is the creation of higher-level jobs in advanced manufacturing and engineering (AME). However, the proportion of local people qualified to NVQ Level 4 or above is below the national average, so work is underway to make sure they can benefit from economic growth.

The LEP set up an education trust to develop a skills strategy and coordinate action across the area. This was seen as a good way of engaging a diverse range of providers (schools, FE and universities) and all the local councils: Staffordshire County Council, Stoke-on-Trent City Council and eight districts and boroughs. The trust set out a skills strategy outlining how it will work to raise aspirations, train, upskill and re-skill the workforce and provide higher-level and technical skills across the area.

Initial activity is focused on apprenticeships (with plans to create 80,000 starts within five years), careers guidance and employability, and a world-class skills system. Staffordshire and Stoke-on-Trent made a significant contribution to the development of the skills

strategy through the provision of local data and intelligence to inform the priorities, and through their close working relationships with employers and education providers.

Rising to the challenge: a specialist skills hub

Staffordshire has a strong track record in attracting AME investment. Major employers include Jaguar Land Rover, Alstom, Siemens, JCB and Michelin. The sector is expected to need upwards of 2,600 engineers each year for the next decade, both to replace retiring workers and fuel further growth. With skills demand continuing to outstrip supply, the education trust wanted to make sure local people could benefit from growth. It developed an 'AME hub' to deliver learning through six spokes, each of which will have a lead specialism and provide training to the latest industry standards in state-of-the-art facilities.

Each spoke will:

- provide growth in sector-specific traineeships and apprenticeships
- upskill the current workforce to improve productivity
- train unemployed young people
- provide specialist facilities and training to meet employer need
- promote careers in the sector and use the facilities as a progression route.

Day-to-day work on delivering the AME hub is led by Staffordshire County Council. David Poole, Skills and Further Learning Manager, says: "AME is a priority area for us.

We want to ensure that providers have sufficient capacity and resources to deliver the range of provision needed by our employers, and the hub will enable us to do that.”

The project is being delivered through £12 million of public and private funding including £2.9 million secured by the City Deal to create phase one (£1.45 million from the Government and £1.45 match-funding from the county council, colleges and private sector). The Growth Deal is providing £8.8 million for phase two (£6.9 million from government and at least £1.9 match funding).

Phase one is now up and running, providing training in automotive and hybrid technologies (delivered by Martec Training in Newcastle-under-Lyme), renewable pneumatics and hydraulics (Stoke-on-Trent College) and construction, electrical installation, motor vehicles and engineering (South Staffordshire College). Phase two is underway and includes an ‘AgriSTEM’ academy (for the agricultural engineering and technology sectors, delivered by South Staffordshire College), an advanced manufacturing and design centre in Stafford and an apprenticeship training centre in Rocester.

David Poole says: “Each of the AME spokes has an objective to use its facilities and provision offer to support progression routes into higher education, and all have relationships with local universities. Some of them are also developing high-level apprenticeship programmes, delivered in partnership with universities, to meet the evolving needs of the sector.”

The three phase one providers had a collective annual target of delivering learning programmes to 2,199 learners once fully operational (in 2015/16), an increase of 951 against 2013/14. Despite significant reductions to the adult skills budgets, in the first year they delivered training to 780 16-19 year olds, 247 adults and 560 traineeships and apprenticeships – an increase of 339 learners in total, 27 per cent up on the previous year.

Moving forward: working with schools

Both the city and county councils would welcome greater control of funding, which would enable better coordination of provision across the area. David Poole says: “Greater council control of commissioning for post-16 provision would enable provision to be more aligned to local skills needs, as identified by the LEP.”

The education trust is developing a strategy to promote STEM (science, technology, engineering and maths) subjects in schools, which will be critical in establishing a pipeline of future AME skills. This is at an early stage but a partnership has been set up, chaired by Entrust (Staffordshire’s joint venture partner), with representatives from employers, FE providers and the city and county councils, with invites being extended to schools, private providers and higher education.

“We want to recognise the important role that STEM subjects will play in our ambitions for the future and raise aspirations within schools,” says David Poole. Meanwhile, the trust has set up a locality projects pilot in four priority areas, encouraging businesses to work with schools to help align their needs with emerging skills provision. More than 45 businesses have already signed up to provide advice and support to 21 secondary schools.

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What does this tell us?

Councils would welcome greater control of the funding and commissioning for post-16 provision through appropriate devolution. This would allow them to align provision to local skills need – matching opportunities to growth sectors, reducing skills gaps and supporting growth.

ESSEX COUNTY COUNCIL

WORKING WITH EMPLOYERS AND PROVIDERS TO FIX THE LOCAL SKILLS SYSTEM

As a community budgets pilot area, Essex has used the opportunity to galvanise employers and providers around skills for economic growth. Analysis highlighted an over-supply in some skills and an under-supply in engineering, construction and IT, and this evidence is being used to support activities which promote growth sector skills.

The ESB created an 'Essex skills evidence base', a complete picture of the sector skills profiles and vacancies across the area. This report, updated annually, is now a key part of the local skills landscape and has led to real change in provision and facilities. Seven growth sectors were established, represented on the board by employers.

Local challenge: a jobs and skills mismatch

Essex County Council is working with Southend-on-Sea and Thurrock councils, business and education partners to build a local skills offer that meets need and is founded on a solid evidence base. It was one of four community budget pilot areas, a government initiative designed to bring a range of partners together to agree common outcomes, pool resources and join up activities, with an ultimate aim of achieving greater local influence over national funding.

Building on the Government's response to the Greater Essex community budgets business case, in 2014 the partners set up the Essex Employment and Skills Board (ESB), bringing together employers, business groups, colleges, universities, schools and councils. While the community budgets pilot provided an opportunity to establish the board, there was no funding attached, so all the work has been funded by local councils. Essex invested £1 million and Southend £50,000 to initiate a range of activities.

Liz Gray, Commissioner for Employability and Skills at Essex, says: "The vision was clear: to increase skills levels locally and make the system deliver for employers. The investment recognised a need to demonstrate that locally designed and managed projects would yield better results than a 'one-size-fits-all' approach, and ultimately achieve better control over national funding."

Rising to the challenge: support for employers

Using the evidence base, the ESB designed a range of programmes to address recruitment and skills challenges. These include 'Digital skills for growth', developed in response to a shortage of digital skills. Growth-sector companies recruiting to a digital role can apply for up to £4,000 in skills training. By February 2016, 106 people had started in a new role as a result of this, using on average £2,410 of the available funding. Employer feedback has been very positive: analysis showed that for every £1 they spent on training they expected to see a £28 improvement in terms of increased sales, efficiency, reduced outsourcing or profitability.

Another strand of work is a 'golden hello' fund to help FE providers recruit teaching staff relevant to growth sectors. Providers can offer incentive grants for recruitment or pay for industry-relevant training in advanced manufacturing and engineering, IT, digital, logistics and construction.

The ESB is promoting growth sectors and STEM subjects in schools, building on a successful Essex County Council employer engagement project. This has been extended to cover more schools, sectors and employers, and has attracted over £200,000 in terms of employer time and contribution.

Activities include industry-led projects, presentations and work experience designed to increase take-up of growth-sector qualifications at GCSE, further and higher education. A proposal has been submitted to extend this through the Careers and Enterprise Company (CEC) adviser network and working with the National Careers Service (NCS) and Jobcentre Plus.

Moving forward: further education

Economic growth and jobs are at the heart of the 'Greater Essex' devolution bid. The evidence base has shown that national funding often fails to support a flexible approach to skills delivery, says Liz Gray. For example, many qualifications required locally lack mainstream funding, which hinders growth and fails to equip people with the right skills.

Skills shortages are exacerbated by a disjointed careers guidance system. For example, government-funded support such as the CEC and NCS often leave gaps in provision. "They don't seem to talk to each other, and from an employer's perspective that makes no sense." This is behind the plan to work with both organisations to achieve join-up and ensure delivery is locally relevant and responsive.

A further constraint is knowing what is being delivered by providers funded through national contracts. "It can be a challenge for councils to work out what funding is being spent where and on what. There are no financial incentives for meeting economic demand: providers get paid for training whether it's useful or not."

Essex is overcoming many of these issues through partnership work and pooled resources. "Creating the ESB has given us the chance to bring together all the key partners who know what is needed and to put employers at the forefront. It has not only given us a mechanism for leveraging-in more money, but has achieved a join-up that simply doesn't exist at national level."

This work is helping colleges such as Prospects College of Advanced Technology (PROCAT), the UK's first such college, to better reflect local need. PROCAT has excellent industry links, facilities and training designed to provide high-quality technical skills relevant to industry need. This approach is being adopted across Essex, supported by the ESB. Using the evidence base, colleges can bid for capital funding through the LEP and use it to develop high-quality facilities which meet demand for advanced and higher-level skills.

Essex is now well placed to attract further funding and is sharing its learning with other areas. Liz Gray says: "We are lucky we have very proactive employers here. They are mentoring in schools, getting involved in the devolution discussions and building strong partnerships with colleges and universities – employers are at the heart of it all."

For more information contact Liz Gray, Commissioner for Employability and Skills, Essex County Council:
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What does this tell us?

Councils would welcome local coordination and delivery of careers education, information, advice and guidance (CEIAG) which provides impartial advice to all and meets the needs of local growth sectors. Good-quality CEIAG which takes account of the local skills landscape is key to sustainable growth.

Skills funding should be devolved to a local level to support employers. Councils have strong relationships with local employers and are best placed to lead on skills initiatives which meet their needs.

SOUTHAMPTON CITY COUNCIL

LEADING A MULTI-AGENCY RESPONSE IN A REDUNDANCY CRISIS

Despite being an area of economic growth, the Solent area has seen a decline in manufacturing and shipbuilding in recent years, leading to the loss of thousands of jobs. A robust response, led by local councils, has protected many people from redundancy and enabled them to achieve their preferred outcome, while the region has retained skills and experience to underpin future growth.

The local challenge: car assembly plant closure

When Ford announced that its Southampton assembly plant would close in 2013, Southampton City Council immediately set about working with Ford and bringing partner agencies together to address the crisis. The closure meant the loss of 781 jobs – 531 Ford employees and 250 supplier company staff working at the site. It was an advanced manufacturing plant employing people with high-level technical skills from a very local employee base.

Ford gave nine months' notice of the closure, which gave the council valuable time to organise a partnership response. Denise Edghill, Head of Economic Development and Skills, says: "We stepped in to work with Ford and coordinate support from all relevant agencies, linking in with the wider services and employment sectors."

The council set up a multi-agency task force with representatives from Eastleigh Borough Council, Eastleigh College, Jobcentre Plus, the Department for Business, Innovation and Skills, the Skills Funding Agency, Solent LEP and Ford.

A response plan was put in place, with offers including:

- HM Revenue and Customs presentations on tax and self-employment
- opportunities for retraining and reskilling
- rapid response funding through Jobcentre Plus
- information, advice and guidance via the NCS.

The task force ensured that high-quality, demand-led skills support and training was available through Eastleigh College. A redundancy programme was put in place, funded by the European Social Fund, to provide core workplace skills, job-seeking skills and retraining for those who wanted it. Ford arranged for its staff to be released for training and support for one or two days a week. Despite this reduction in labour, normal production targets were exceeded, showing the high morale and motivation the employees felt as a result of the support being provided.

Ford organised three on-site job fairs, working with the task force partners to maximise the number of attendees, and 76 stands were taken up across the three events. Local businesses with vacancies were invited along with specialist employers from further away. This resulted in a number of job offers.

Rising to the challenge: a coordinated response

The city council's role was around coordination and leveraging in public resources to respond quickly and effectively. A few months earlier, Southampton had worked with British Gas when it closed a local call centre with the loss of hundreds of jobs.

Those workers tended to be younger and with skills that were easily transferable in the local labour market. The Ford workers, however, were mainly in their 40s or 50s with specific technical skills.

Denise Edghill says: “The question was how to bridge the gap between their experience and their future employment. For their part, Ford were very good at offering support. One of the challenges for us was bringing in the employees from the supply chain companies to make sure they were all part of this good practice.”

Of the Ford employees initially under threat of redundancy, one-third were eventually retained by Ford, locally or elsewhere, and 14 per cent took early retirement. Of the remainder, six months after closure, 40 per cent had found another job and 10 per cent had started a business. Other destinations included further education and career breaks. Just 2.4 per cent of the total Ford and supply chain workforce were claiming unemployment benefits, as evidenced through Jobcentre Plus.

Southampton's experience reinforces the role of local councils as the key stakeholder in redundancy crisis situations, says Denise Edghill. “Only we could bring together all the agencies and agendas and ensure resources were levered in and used most effectively. The LEP was on board as well, but their interest is specifically about the economy and skills – they don't have the additional social responsibility of a local authority.”

Moving forward: working with Portsmouth

The task force model was then replicated by neighbouring Portsmouth City Council to support employees of BAE Systems when shipbuilding ceased in the city. Here, 80 per cent of employees avoided compulsory redundancy and 90 per cent achieved their preferred outcome.

Southampton and Portsmouth are working together, using City Deal funding and private investment, to create thousands of jobs.

One example of this is the Solent Jobs pilot, which is helping more than 1,000 long-term unemployed people with health problems back into work. For individuals, this initially involves employment support, cognitive behavioural therapy and employability training. They then take a paid work placement for up to 26 weeks followed by intensive support to find or settle into a job. There is also a £700,000 programme to trial new approaches to reducing youth unemployment.

The goal behind all this work is to make sure local people can benefit from, and contribute to, economic growth. “Councils have a dual role in terms of supporting the local economy and supporting local residents, for example families affected by redundancy. Not all councils have skills and employment teams, and we all have dwindling funds. However, we have a unique role in ensuring that wider funding and support can be targeted to best use in our areas.”

“Only local authorities can understand all aspects of the employment and skills agenda. Locally, we are working towards properly devolved powers and funds so we can continue to take a lead in integrating skills and employment support to underpin the growth and productivity of the area.”

For more information contact Denise Edghill, Head of Economic Development and Skills, Southampton City Council: denise.edghill@southampton.gov.uk

What does this tell us?

Councils would welcome long-term funding certainty around skills and employment. This would enable them to integrate provision and adapt rapidly to changes in demand, such as reacting to a job crisis situation.

NOTTINGHAM CITY COUNCIL

RE-SHAPING FURTHER EDUCATION PROVISION FOLLOWING AN AREA-BASED REVIEW

Nottingham was the first place in the country to have an area-based review of FE. The review focused on two local colleges struggling with financial issues and poor Ofsted ratings, and its findings are being used to drive a new education and skills infrastructure for the city. At the heart of this is a £60 million employer-facing 'skills hub' for 40,000 learners.

Local challenge: a disjointed FE sector

Nottingham's area review of FE came about when one of two struggling local colleges was referred to the FE commissioner, Dr David Collins, for a review. At that point, Nottingham City Council asked if he could use the opportunity to review vocational education across the city. Nicki Jenkins, Nottingham's Head of Economic Policy and Partnerships, explains: "We were concerned that we did not have the provision we needed for the city and had two competing colleges rather than a coherent offer, so we lobbied the commissioner to ask him to consider this through an area-based approach."

Dr Collins agreed, and the area review began in April 2015. It involved a series of themed meetings with governors and the principals from both colleges, looking at their curriculum offer, estates, finances and other issues. The commissioner also met with key stakeholders such as Nottingham City Council and Nottinghamshire County Council.

Nicki Jenkins says: "As the city council were asked to feed in information on local demand to inform what provision should or should not be offered. We were also part of a stakeholder group along with the LEP, county council, Skills Funding Agency and Department for Education and Skills. We worked with colleagues to shape the

outcomes of the review and were pleased with the FE commissioner's conclusions and the response of the colleges themselves."

Rising to the challenge: creating a new 'skills hub'

The review showed a clear case for merging the two colleges in terms of cost savings and reduced duplication. The city council was able to use its experience of previous mergers to advise on what would work best. An 'in principle' commitment was made by the colleges to merge and a designate board was formed to take forward the plans, on which the city council has a seat.

One critical part of the future of the merged college is a £60 million 'skills hub' which will provide a new state-of-the-art city centre location for around 1,500 learners. The council is an active partner in this development, not least because of the significant financial support being provided – £30 million was ring-fenced by the LEP and £10 million will be loaned by the city council. All the partners are committed to ensuring that this is used as an opportunity to re-shape further education in Nottingham.

The aim is for the new facility to create the right education and skills infrastructure for the future of the city, driven by the needs of Nottingham's learners, employers and communities. Nicki Jenkins says: "It's about bringing provision together in a state-of-the-art facility and making the offer much more employer-facing. The city council is using its influence wherever possible, working with providers and the business sector to ensure that future needs are met."

Nottingham City Council is now pressing the Government for devolution of local FE budgets. Councillor Nick McDonald, portfolio holder for jobs, skills and transport, says: “Cities that successfully address the gaps in their skills base over the next decade will be the cities that succeed economically. A strong further education sector is vital to that.”

Nicki Jenkins feels that the area-based review was a “fair process” and says the only gap was a lack of business involvement to help inform local need – a gap that was also acknowledged by the commissioner himself. The LEP and city council worked closely together to provide information on current and future business need. “The learning for us in taking this forward is that you need a very robust needs assessment to inform demand.”

The aim is for the merger to occur in the summer of 2016, so there are no measurable outcomes as yet. However, the Skills Minister, Nick Boles, has launched a national review of the structure of the FE sector with an emphasis on fewer, larger providers, and has cited Nottingham as an example of good practice.

Moving forward: a broader review

In the pilot area-based review the focus was on provision in just two colleges, and the merger of these two colleges will be stabilised before a wider review takes place. This second review will look at provision across a range of educational establishments in the wider area, but without fundamentally disturbing the newly merged institution.

Nottingham City Council has been interested to see an area-based review tested out within its own boundaries, and has fed this learning back into the LEP, D2N2, which covers Derby, Derbyshire, Nottingham and Nottinghamshire.

For more information contact Nicki Jenkins, Head of Economic Policy and Partnerships, Nottingham City Council: nicki.jenkins@nottinghamcity.gov.uk

What does this tell us?

Area-based reviews should be comprehensive, with a wider scope to include all educational providers. This, along with the call to devolve further education budgets to councils, will ensure appropriate provision to support thriving local economies.

SOMERSET COUNTY COUNCIL

PARTNERSHIP WORK TO PROMOTE STEM SUBJECTS TO YOUNG PEOPLE

The proposed nuclear power station at Hinkley Point C would bring 25,000 jobs to Somerset during construction and 900 permanent jobs once operational. Somerset County Council is working with the developer, EDF Energy, to make sure young people are ready to take on these new opportunities or benefit from further growth in key sectors.

Local challenge: a 'lifetime opportunity' for Somerset

Since the plans for a proposed nuclear power station at Hinkley Point C were submitted in 2011, Somerset County Council has been working to make sure local people can benefit from the thousands of jobs and up to 1,000 apprenticeships it could create.

STEM are priority sectors for economic growth in Somerset. Hinkley Point C is a major infrastructure project and a lifetime opportunity for the county, so the council has been working with the developers, EDF Energy, and other partners to raise ambition and skill levels around STEM and construction to create a future talent pool.

EDF Energy, already a big local employer, has invested over £3 million since launching its 'Inspire' education programme in 2011. Inspire aims to encourage young people to study STEM subjects, building a sustainable legacy through a pipeline from education to skills and long-term employment. There is a national skills shortage in STEM, so as well as ensuring that the future workforce can take advantage of high-level opportunities at Hinkley Point C, this work supports the council's ambition to maintain economic growth in these sectors.

Inspire is delivered by EDF in collaboration with the council, education providers and other partners. Activities take place at all levels, from primary to further education.

Young people gain first-hand experience of engineering and construction-related tasks along with an understanding of nuclear and other low-carbon technologies. By February 2016, Inspire had already reached more than 100,000 students, from 'light touch' interactions such as careers assemblies to in-depth residential events for 13-14 year olds, and worked with 168 educational institutions across the south west.

Joanna Whitehead is Commissioning Manager for Young Persons Support at Somerset County Council, a post funded through Section 106 money. Her role includes helping EDF to navigate the education system. She feels that without this kind of role, it would be difficult for councils to play their full part in skills development, alongside LEPs.

Rising to the challenge: jobs for local people

EDF Energy has set up a job brokerage which matches people to available posts, delivers programmes to help people back into work and invests in dedicated local employer-responsive training centres. The brokerage is a partnership between EDF, Jobcentre Plus and other local support organisations. To bridge the gap between education and work, the council helped EDF to develop a database for 15-17 year olds who wish to be kept in touch with opportunities and Inspire activities such as interview skills, CV writing, events and visits. This helps them to be application-ready when their details transfer to the job brokerage at the age of 18.

Further and higher education providers are also involved, hosting school pupils for some Inspire activities and directly delivering post-16 courses that inspire young people to progress in energy, construction and engineering.

EDF has made significant capital contributions, including:

- £3 million for an energy skills centre at Bridgwater College, which hosts science and engineering subjects as well as low-carbon and nuclear-related education and training
- £1.5 million for a construction skills and innovation centre at Bridgwater College, which includes a real-life construction site
- £1.6 million for West Somerset Community College's 'Hinkley ready and enterprise' project offering vocational training such as building services, construction, plumbing and electrical skills, along with refresher training and upskilling for the wider community.

Moving forward: benefits for local businesses

Hinkley Point C will have a vast supply chain. As well as ensuring that local companies can benefit, the council and the supply chain lead partner, Somerset Chamber of Commerce, want to ensure that businesses losing employees to the power station have a supply of skilled people to back-fill roles – and that the development acts as a magnet for the science and technology sector.

A dedicated supply chain engagement manager provides the link between local suppliers, stakeholders and the project. Successes to date include the creation of five local joint ventures with combined contract values of £225 million. The council has also commissioned phase one of the Somerset Energy Innovation Centre in Bridgwater to support the development of a local supply chain cluster in Somerset and across the South West. This is being funded by the county council, European Regional Development Fund, Heart of the South West LEP (Growth Deal money) and EDF Section 106 money.

The ultimate target is to have Somerset residents making up at least 34 per cent of the Hinkley Point C workforce. The new National College for Nuclear will have a hub in Somerset, the result of a partnership between the Government and employers, training future workers to meet the demand for a skilled workforce.

EDF will negotiate employer skills plans with tier one contractors for the build stage which will include apprenticeship requirements; providers and other stakeholders will help to make this a reality. Having a pipeline of people interested in the construction and civil engineering trades will be essential to realising these apprenticeship targets.

For further information contact Joanna Whitehead, Commissioning Manager – Young Persons Support, Somerset County Council: jwhitehead@somerset.gov.uk

What does this tell us?

Good public procurement practice can ensure developers contribute more broadly to the education, skills and employment base of an area. Councils are in a prime position to negotiate with large employers and their own supply chains to invest in skills and the well-being of local residents.

LONDON BOROUGH OF SOUTHWARK

WORKING WITH BUSINESSES TO PROVIDE QUALITY APPRENTICESHIPS

As part of its commitment to providing a fairer future for all, Southwark has ambitious plans to support 5,000 people into work and create 2,000 apprenticeship opportunities within four years. The council offers practical and financial support to employers to help them create new apprenticeships and jobs and supports young people to access them.

The local challenge: 2,000 new apprenticeships

In order to deliver on its apprenticeship target, Southwark Council is working with local employers on a package of support that meets their needs and the needs of local residents. As part of this work, the council set out to consider what a quality apprenticeship should look like and how it can help employers to create them.

One initiative the council has introduced is the Southwark Apprenticeship Standard, an award given to employers providing excellent apprenticeship opportunities. To qualify, employers must provide quality training provision, a minimum 12-month contract, mentoring support and pay the London living wage. Southwark's employer engagement team works with businesses of all sizes to help them meet the standard, from sole traders taking on their first apprentice to multinationals. The initiative is still new, but 23 local employers and partners had achieved the standard by March 2016 including PWC, Mears and Capita.

Southwark is also enhancing its support for young people. It established a Youth Guarantee a few years ago to help young people remain in education or access employment, backed up with £1 million a year for the Youth Fund. To drive this programme, the council asked employers about the barriers to employing young people: top of the list was having the resources to pay them and the time to invest in them.

Rising to the challenge: supporting smaller employers

This led to the development of SEEDS (the Southwark Employment and Enterprise Development Scheme), which helps smaller employers take on a 16-24 year old apprentice or employee, as long as they agree to create a quality job opportunity and pay the London living wage. Small businesses are often concerned about the level of administration and investment needed in creating a new opportunity. SEEDS helps them to overcome these barriers through:

- a wage subsidy of up to 75 per cent
- identifying skills needs and drafting a job description
- full support in recruiting for apprenticeship and job roles
- ongoing mentoring and business support.

SEEDS aims to stimulate local business growth while generating sustainable apprenticeships and jobs for young people. The council match-funds up to 50 per cent of their salary for one year if the employer commits to paying the living wage, or up to 75 per cent for voluntary and community sector organisations.

Residents interested in applying for SEEDS apprenticeships and jobs can access free CV and interview preparation and other employability support, funded through the Youth Fund. Each young person has a dedicated mentor throughout their employment journey who provides advice and support to help them overcome challenges around getting and keeping work. After a year, the employer is expected to either employ the young person or work with the SEEDS team to help them find another job.

Councillor Ian Wingfield, Southwark's Deputy Leader and Cabinet Member for Employment and Business, says: "Our years of experience in offering apprenticeships at the council has shown the skills an apprentice needs to succeed. A living wage is important, but so too is investment in the person so that they can blossom and grow from day one. Southwark doesn't want to just create 2,000 apprenticeships, we want to change 2,000 lives."

SEEDS and the Apprenticeship Standard sit neatly alongside each other in the council's efforts to help people into employment. SEEDS initially received about £500,000 of core funding but the council has drawn in additional funding from other partners, resulting in a £1.1 million programme.

The Apprenticeship Standard costs little to run, though £240,000 of core and Section 106 funding has been provided for supporting employers, including specialist support in the construction sector. A focus on construction is also behind Southwark's work with Lendlease to open a construction skills centre in 2016. It will focus on the development of a range of construction-related skills, from pre-employment and pre-apprenticeship training to training linked to advanced and higher apprenticeships. Lendlease is leading on the procurement of a training provider and providing sponsorship.

Further funding is now being sought for the council's apprenticeship programmes. Southwark has found that once it makes an initial investment and demonstrates the potential impact of initiatives, it becomes easier to attract money from elsewhere.

Moving forward: growing SEEDS

Southwark's work around skills and employment has the dual purpose of growing the local economy and improving the lives of people who may have faced extra challenges in life. Many of the businesses involved in SEEDS could not have taken on an extra employee without support.

The council sees this as a policy which makes sense and is keen to see it replicated elsewhere. While more government funding would help, the issue is also about giving local authorities greater influence over how money is targeted and services are commissioned. When councils are given greater freedom they can demonstrate a level of innovation and action that the sector is not always given credit for.

In February 2016, the first SEEDS participant completed her first year and was offered a permanent role. This individual would have found it almost impossible to get or sustain employment without this support. She is the first of the SEEDS to blossom, but many more are set to follow.

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What does this tell us?

Further support around apprenticeships would sustain the current momentum and drive up their quality and quantity. Building on recent initiatives, government should provide councils with the resources to help employers, including smaller businesses, to create high-quality apprenticeships.

BIRMINGHAM CITY COUNCIL

USING PROCUREMENT POLICIES TO SECURE LOCAL BENEFIT

In the year to March 2015, the unemployment rate in Birmingham was 10.3 per cent, significantly higher than either the regional average (6 per cent) or national average (5.6 per cent). Birmingham City Council has ambitious growth plans and is using its procurement policies and local influence to help harness the talent and potential of everyone in the area.

The local challenge: building on growth

Despite the backdrop of high unemployment, Birmingham's economy is growing rapidly. In 2014 it grew by over 6 per cent in cash terms – well above the rate for the UK's other seven big cities and the rest of the country outside London. Employment grew by 2 per cent following eight years of job losses. Regeneration investment is flowing into the city, with major projects including the recently completed redevelopment of New Street Station, a city library and the new Midland Metropolitan Hospital, due to open in 2018.

Thousands of jobs have been, and are being, created. The challenge is to ensure that local residents can tap into this growth and secure quality opportunities for training, reskilling and employment. Birmingham City Council recognises that unless enough people with the right skills are able to take up opportunities, economic growth will be limited. It also recognises that its own spending power (over £1 billion a year) is an influential tool in delivering community benefits across all procurement and commissioning activities.

Rising to the challenge: using the council's spending power

Birmingham is using its purchasing power to improve employment and skills outcomes for local residents through two methods: a procurement policy for jobs and skills and a business charter for social responsibility.

In 2010, the council adopted a formal procurement policy framework for jobs and skills, setting out its expectations of contractors and how, in return, it would support them to work towards the goal of jobs for local people. The policy built on best practice, nationally and locally, where targeted recruitment and training outcomes had been either deployed in contract clauses, embedded within voluntary agreements or highlighted in formal jobs and skills charters. Which of these three options is applied depends on the type and value of a contract.

The council's employment and skills service helps businesses to implement jobs and skills targets throughout the procurement process – devising appropriate contract clauses, evaluating tender responses, negotiating suitable targets, supporting the recruitment process and monitoring outcomes. The service offers a mix of core and project-based funded activity which changes year on year.

Businesses can provide a range of opportunities such as full- or part-time roles, apprenticeships, work experience, placements, traineeships and training. The minimum requirement is 60 person weeks per £1 million of spend, but the higher the figure, the higher they score. For example, with a new £6 million contract the council would expect a minimum of 360 person weeks to be detailed in the bid for jobs and apprenticeships.

Birmingham's other procurement tool is its business charter for social responsibility, which includes local employment as one of the six guiding principles. The council shared the charter locally in 2013 and encourages all contractors and public sector partners to commit to this approach. Again, elements can be voluntary or mandatory depending on the size of the contract, but in general it is mandatory for single contracts worth £200,000-plus per year or aggregate contracts over £500,000. Charter signatories commit to creating opportunities for local people, including people with disabilities, and supporting people into jobs and work experience.

Businesses are expected to look for opportunities to work with schools, to ensure young people are equipped with the right careers advice and employability skills for the local labour market. They are also expected to implement procurement strategies which remove barriers for local businesses. Since 2013, more than 250 charters are in place with local companies.

Moving forward: demonstrating added value

These two procurement tools ensure the council gets added value by incorporating social benefits into its procurement contracts. The aim is to boost the local economy by maximising the social value it obtains from its £1 billion purchasing power, making that money work as hard as possible for the economic, social and environmental benefit of Birmingham's citizens; and to encourage others to do the same.

The council has seen significant buy-in from local businesses and this is gathering pace as the social impact becomes clear. One example was the £750 million redevelopment of New Street Station. The lead developers, Network Rail, signed up to a charter for jobs and skills, and a council officer was co-located to the project team to help them meet the targets. As a result:

- 208 unemployed priority residents received pre-employment support

- 1,442 local residents were directly employed on site
- 217 unemployed people were supported into employment
- 116 on-site apprentices were created
- 289 people completed training
- 548 sustainable jobs were filled by local unemployed residents within and around the Grand Central retail complex.

Carillion are leading on the development of the Midlands Metropolitan Hospital. Here, the targets include local people constituting 60 per cent of the hospital's workforce. The developers are working with Birmingham's employment and skills service to promote opportunities and recruit locally. Links with universities and further education continue to be fostered and strengthened to ensure that people have the right skills for high-level jobs.

Birmingham has plans to create a labour market information hub for schools, universities, colleges and training providers to inform the courses and qualifications they offer. It is leading a collaboration to promote Birmingham as 'Skills City', working with business, education, training providers and community leaders to review all of its partnership arrangements for skills and employment, with ambitions for 70,000 new jobs by 2026, an employment rate of 67 per cent (compared with 61.5 per cent now) and a reduction of 15,000 people claiming welfare benefits.

For further information, contact Kam Hundal, Employment and Skills Manager, Birmingham City Council: kam.hundal@birmingham.gov.uk

What does this tell us?

If the Government's proposal for public sector apprenticeship targets is enacted, councils should be able to include apprenticeships agreed through contracting arrangements with their supply chains. Councils should be beacons of sustainable procurement for public and private sector partners and are in a prime position to encourage other employers to invest in skills.

DERBYSHIRE COUNTY COUNCIL

WORKING WITH THE LOCAL ENTERPRISE PARTNERSHIP TO CREATE OPPORTUNITIES IN SMALL BUSINESSES

Providing the jobs and skills remit across a large, mainly rural county brings particular challenges for Derbyshire County Council, but a '21st Century Guildhall' is one of its ideas to foster growth. Derbyshire is also working closely with the LEP, D2N2, to look for ways to attract jobs and raise attainment across the area.

The local challenge: skills and attainment

Derbyshire is within the D2N2 LEP area which also includes Derby, Nottingham, Nottinghamshire and 14 district councils. The area has eight priority sectors for growth: transport equipment manufacturing, life sciences, food and drink manufacturing, construction, the visitor economy, low carbon, transport and logistics and creative industries.

While Derbyshire's local economy has performed well recently, unemployment in certain age groups (16-24 and 50-plus) remains above average and skills levels are relatively low. Almost half of working-age adults have no qualification higher than Level 2, while less than 30 per cent have a degree or equivalent. Apprenticeship starts have fallen recently. These are some of the issues that Derbyshire County Council is working to overcome.

Geography is a factor as Derbyshire includes some very rural areas with specialist employers, such as mineral quarrying in the Peak District which brings high demand for chemical engineers. The council is keen to ensure that all businesses can access support and an appropriately skilled workforce. Joe Battye, Service Director for Economy and Regeneration, says: "We have to work hard to make sure skills provision and the throughput into industry from local schools and colleges is well evidenced.

The geographical pockets of demand for very specialist skills are one of our ongoing challenges."

Rising to the challenge: a 21st century Guildhall

Derbyshire has embarked on delivering a '21st Century Guildhall' approach to fundamentally change the way in which the available labour market, skills provision and employment opportunities are matched and aligned. This will involve coordination, alignment and integration of activity across a range of delivery stakeholders including Jobcentre Plus, colleges, universities, businesses and councils.

The plan is to bring all these elements together in one place so that, for example, a 17-year-old can access information on jobs, vocational training and apprenticeships. Services will ultimately be aligned to Jobcentre Plus and benefits advice. Joe Battye says: "The ethos is to provide a coherent 'marketplace' for employment, skills and learning opportunities. Everything we now do as a county council in setting up individual projects which relate to jobs and skills is fundamentally locked into the Guildhall idea." It will also maximise the effectiveness of funding coming into Derby and Derbyshire and across the wider LEP area through joint work with Nottingham and Nottinghamshire.

Smaller companies comprise 85 per cent of the local business base and councils across the area are working to provide specific support for them. This support has included the 'Global Derbyshire' project, which ran from 2013-15 and used money from the Regional Growth Fund (secured by Derbyshire Economic Forum and backed

by the county council) to help small and medium-sized enterprises in growth sectors that were seeking to grow, collaborate, innovate and export.

The programme had a target to create at least 200 new jobs and safeguard at least 56 jobs. Grants of between £4,000 and £75,000 were available (with a maximum of £15,000 per job created, and subject to businesses creating sustainable employment that would last a minimum of three years). The programme has provided £2.5 million in grants to 126 Derbyshire businesses to help boost the local economy, creating 256 new jobs so far and safeguarding a further 155 jobs.

Lindsay Allen manages the 'Growth Hub' at D2N2, which offers support to local businesses. She says that by working closely with LEPs, councils can create programmes that specifically target smaller employers. The hub had contact with around 1,600 businesses in its first two years of operation and provides different levels of support, from providing information through to innovation support. The highest level of support is provided to businesses in the eight growth sectors.

Moving forward: careers information

The D2N2 LEP commissioned a framework setting out how employability should be part of a coherent career development and work-related programme in schools, delivered in partnership with employers and careers services. At its heart is the idea that young people should have the opportunity to engage with employers, learn about the world of work and develop their employability skills. Local authorities, including Derbyshire, are working with educators to embed the employability framework within all schools, and this fits well with the principles of the 21st Century Guildhall.

Derbyshire's experience is that national careers programmes are often 'parachuted in' without full understanding of the local context, and the council spends time and resources ensuring they are moulded to be more relevant locally.

Joe Battye says the role of local government should include balancing tensions around growth while ensuring there is equality of opportunity, social wellbeing and community prosperity. On a practical level this involves delivering, facilitating and brokering support. Around careers information, for example, employers and schools welcome the council taking a coordinating role. "We have a very complex environment where providers are bidding against each other and no-one is taking the lead on knitting it all together. The people that matter are falling between the gaps. As a local authority our biggest role is one of facilitation, but that can only be successful if you have legitimacy in that role."

"Councils are phenomenally successful at partnership working, seeing the big picture and mobilising action. That role of credible facilitator and enabler is critical. The public sector is bringing people to the table, putting in resources and making things happen – we are critical to economic growth."

For more information contact Joe Battye, Service Director for Economy and Regeneration, Derbyshire County Council: joe.battye@derbyshire.gov.uk

What does this tell us?

Councils would welcome support and resources to establish a coherent one-stop 'marketplace' approach for careers advice, training and employment opportunities which includes colleges, businesses and Jobcentre Plus. Councils are fundamental to maximising the effectiveness of funding through alignment, coordination and integration of services.



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